

Quarterly report

SEPTEMBER 30, 2014

according to National Security Commission Regulation
no 1/2006

YOUR BANK. YOUR TEAM



GRUPE SOCIETE GENERALE



CONTENT

1. ISSUER DESCRIPTION.....	3
2. ECONOMIC ENVIRONMENT	4
3. COMMERCIAL ACTIVITY.....	5
4. RESULTS AND FINANCIAL RATIOS	6

1. ISSUER DESCRIPTION

BRD – Groupe Société Générale SA

Head Office: Bd. Ion Mihalache, nr. 1-7, sect. 1, București

Tel/Fax: 301.61.00 /301.68.00

Sole registration number with the Trade Registry: 361579

Order number with the Trade Registry: J40-608-1991

Share capital subscribed and paid: 696.901.518 lei

Regulated market on which the issued securities are traded: Bucharest Stock Exchange – Ist
Category

2. ECONOMIC ENVIRONMENT

The main macroeconomic factors that, during the first nine months of 2014, influenced the banking activity:

- Technical recession in H1-14;
- Influenced by a favorable base effect, a plentiful harvest and a VAT cut on some basic goods, inflation declined to historically low levels starting mid 2013. In Q3-14 the inflation started to slightly increase reaching 1.54% as at September 30, 2014.
- In this context, the National Bank of Romania further relaxed its monetary policy in 2014, cutting the reference rate four times to 3.00% and lowering the level of the mandatory reserves requirements to 16% for foreign currencies resources and to 10% for RON resources (starting October 24, 2014);
- The national currency remained rather stable over the last 12 months.

3. COMMERCIAL ACTIVITY

RON million	30-Sep-14	31-Dec-13	30-Sep-13
Gross loans	32,107	33,497	34,385
- individuals	17,042	17,239	17,339
- corporates	15,065	16,258	17,045
Net loans	27,267	27,764	29,594
Deposits	33,906	36,146	33,764
- individuals	17,288	16,792	16,138
- corporates	16,618	19,354	17,626
Net Loans/Deposits	80.4%	76.8%	87.7%

LOANS

Gross loans to customers decreased by 4.1% compared to December 31, 2013 and by 6.6% compared to September 30, 2013.

The loans to individuals registered a slight decrease overall, the good consumer loans' production in 2014 slowed down the contraction of the outstanding (-4.7% compared to December 31, 2013 versus -6.3% for the banking system), while the housing loans outstanding increased by 3.8% over the same period.

The loans to corporate customers have decreased by 7.3% compared to December 31, 2013 and by 11.6% compared to September 30, 2013, in a context of low demand, but also as a result of the write-offs performed in Q2 and Q3 2014.

DEPOSITS

The total deposits remained stable over the last 12 months with positive evolution of individuals' deposits which increased as at September 30, 2014 by 3.0% versus December 31, 2013 and by 7.1% versus September 30, 2013.

Corporate customers' deposits as at September 30, 2014 decreased by 5.7% compared with the same period of last year and by 14.1% compared to December 31, 2013.

4. RESULTS AND FINANCIAL RATIOS

INCOME STATEMENT

RON million	9 months to 30-Sep-14	9 months to 30-Sep-13	14/13 (%)
Net banking income, out of witch :	1,879	2,059	-8.8%
- Interest margin	1,127	1,238	-9.0%
- Commissions, net	558	556	0.3%
- Other net banking income	194	265	-26.9%
Operating expenses	(909)	(948)	-4.2%
Operating profit	970	1,111	-12.7%
Net cost of risk	(952)	(1,041)	-8.6%
Gross profit	19	70	-73.4%
Net profit	20	51	-60.1%

FINANCIAL RATIOS

	9 months to 30-Sep-14	2013	9 months to 30-Sep-13
Financial ratios			
Return on equity (ROE)	0.5%	-7.2%	1.2%
Cost/Income ratio	48.4%	47.1%	46.1%
	Basel III	Basel II	
	30.09.2014	31.12.2013	30.09.2013
Regulatory indicators (*)			
Total regulatory capital (RON million)	4,712	3,858	3,745
Tier 1 regulatory capital (RON million)	4,564	3,858	3,745
Capital adequacy ratio	17.1%	14.2%	13.5%
Tier 1 ratio	16.5%	14.2%	13.5%
Risk weighted assets (RON million)	27,621	27,693	28,204

(*)Starting with 2014 the ratio is computed under Basel III regulation (Directive 2013/36/EU)

The interim financial report as at September 30, 2014, has not been audited.

Philippe LHOTTE

Chairman – Chief Executive Officer



Petre BUNESCU

Deputy Chief Executive Officer

Stephane FORTIN

Chief Financial Officer